



Federal Update for February 17 - 21, 2014



Walz Votes to Restore Military Retiree Pensions

Washington, DC [2/11/14] – Today, Representative Tim Walz (MN-01) released the following statement after voting for a bill to restore the misguided cuts to the cost-of-living-adjustment (COLA) for military retirees under age 62 that were proposed by Chairman Paul Ryan and included in the budget agreement. Walz has made clear that he opposed these cuts from the beginning, has co-sponsored legislation to restore the cuts, and has urged House leadership to take action. While this isn't the pay-for that was included in Walz's bill or one he would have chosen, he is pleased to see these COLA cuts restored today.

"I'm pleased these misguided cuts to military retiree's cost-of-living-adjustment are being restored today. Our country needs a budget in order to end the irresponsible governing-by-crisis cycle in Washington, ensure another reckless and costly government shutdown does not occur, and give our local businesses and communities the certainty they need to grow and create jobs. That being said, the budget that passed was far from perfect. That is why I've opposed these unwarranted cuts to COLA that were included in the budget agreement from the beginning, co-sponsored legislation to restore them, and urged House leadership to take action to restore them."

Walz recently introduced legislation with Rep. Dan Maffei (D-NY) that would repeal the unwarranted cost-of-living adjustment (COLA) cuts for military retiree's under the age of 62 that were included in the Bipartisan Budget Act. His proposal would be fully paid for by closing tax loopholes for corporations that operate and are run from the U.S. but use off-shore tax havens to avoid paying their fair share, footing middle class families and veterans with the bill. Walz is also looking into introducing legislation to require an audit of the Pentagon in order find savings by rooting out waste and inefficiencies at the Department of Defense.

DECA Budget Cuts Update ► Price Increase Option

Pentagon proposals to reportedly slice \$1 billion from the annual commissary budget may not hinge on closing stores, but on raising prices for patrons, sources said. But commissary advocates say that still could ultimately signal the death knell for commissaries. Until the Defense Department unveils its fiscal 2015 budget request in early March, nothing is certain. But several sources said the current thinking focuses on keeping stores open while increasing prices. Options under consideration include raising the 5 percent surcharge that customers pay at the register, increasing prices on individual goods in the stores or both. The model for a new pricing system would be the military exchanges, which sell products at marked-up prices and use the profits to operate the stores. Either change would require legislation. Under current law, the surcharge is set at 5 percent, and commissaries must sell items at cost, without markups.

The 2014 budget for the Defense Commissary Agency is about \$1.4 billion. The \$1 billion slice would be made starting in fiscal 2015, with the heaviest cuts coming in 2017, said a former DoD employee familiar with current discussions. "It is a real proposal within the building. Unless very senior officials turn it around, it will be in the Pentagon's budget proposal," he said, adding that he has not seen written details of the proposal. "There had been keen interest in closing stores, but they realized it was not viable," he said. "The cost of operating overseas stores would increase." The deliberations are causing consternation for military advocates. "It's military families' purchasing power that will change," said Joyce Raezer, executive director of the National Military Family Association. "If you increase the surcharge and prices, you take away the savings, and you take away the benefit." Concerns also are being voiced on Capitol Hill. "DoD should find other ways to save taxpayers money, and that's why I'm drafting legislation to protect all commissary and exchange services through the end of this administration," said Rep. Tim Griffin (R-AR).

While no one interviewed by Military Times said they had seen written documentation seeking a \$1 billion reduction in the annual commissary budget, three people who asked not to be identified said they are familiar with discussions to that effect within the Pentagon. Recent comments by Army Gen. Martin Dempsey, chairman of the Joint Chiefs, seem to support a shift in thinking toward price increases. During a 5 DEC Facebook town hall event, Dempsey

insisted there is no plan in the works to close commissaries. But he added: “You may know that military exchanges operate without being subsidized by your taxes. The same potential exists with commissaries. ... We’ve got to drive toward greater efficiencies, and this is just one of the potential areas.” Military Times reported Dempsey’s remarks in December. When asked if there were any updates, a Pentagon official again offered Dempsey’s Dec. 5 comments.

Turning commissaries into a nonappropriated fund system like the exchanges is an option worth considering, said Paul Taibl, vice president for policy at Business Executives for National Security. “Prices might go up, but it might be a more economical way to approach [the commissary benefit],” Taibl said. With top Pentagon officials saying current personnel spending is unsustainable, “you have to throw commissaries in the mix” he said. Pentagon officials have said the commissary system is one of many benefits under consideration for changes in the quest to stem “unsustainable” budget growth. But some people question the “sustainability” logic as applied to such a comparatively small target. “When adjusted for inflation, the commissary cost has remained essentially flat,” said one DoD source who asked not to be identified. “Why not maintain a benefit that is proven to be sustainable, and search for efficiencies that will level off cost growth of other benefits so they can be made sustainable, just like the commissary?”

The commissary budget is about 0.3 percent of the overall defense budget. At a congressional hearing in November, DeCA Director Joseph Jeu noted that since the services’ commissary systems merged into one agency in 1991, DeCA has reduced its operating costs by more than \$700 million a year. “This is a model to emulate, not decimate,” said Patrick Nixon, president of the American Logistics Association, and a former DeCA director. “It’s part of the solution, not the source of the budget problem. We challenge any program [in DoD] to ... show they can deliver more bang for the buck.” Taibl acknowledged that the commissary’s \$1.4 billion budget “is not a big chunk” of the total defense budget. “But you have to look at every aspect. It’s not just economics, it’s the purpose. What is the commissary designed to do? Is it fulfilling that objective? Is it better to put money in somebody’s pocket? That’s what they have to decide.” [Source: MilitaryTimes | Karen Jowers | 5 Feb 2014 ++]

DECA Budget Cuts Update: Enlistees Favor Cash Subsidy

Most active duty troops, especially enlistees, don't value the commissaries nearly as much as the government pays to operate them, according to a survey by the Center for Strategic and Budgetary Assessments. The Washington D.C. think tank published a report in 2012 based on a survey that asked troops and retirees what benefits they valued the most. The report then compared how much troops value these benefits to the price the government pays to provide them. Commissaries, long one of the non-compensation benefits of military service, didn't fare well with enlistees, the military's largest population. Pentagon leaders are considering cuts of up to \$1 billion from the \$1.4 billion commissary subsidy over the next three years, sources told Military.com last month. It costs the U.S. military about \$600 per servicemember to pay for the commissaries on base. By comparison, it costs the services \$110 per servicemember to provide the base and post exchanges.

The report found that less than 6 percent of enlisted personnel valued the commissaries more than they cost. Two thirds of the officer corps agreed with the enlistees. These results stretched across the active and reserve components. The segment of the military that valued the commissaries the highest were retirees. Enlisted and officer retirees rank commissary privileges among their top two additional services and benefits, according to the report. When asked if troops would trade access to the commissaries for a \$300 annual cash subsidy that they could use to shop off base, junior enlistees said they would overwhelmingly take the \$300, according to the survey. A third of the senior enlisted would also take the payment. Todd Harrison, Senior Fellow for Defense Budget Studies and principal author of the study, said he did the report to educate the discussion on what troops really want when politicians and military brass discuss benefits packages. Personnel costs have risen steeply over the past decade, eating up a higher percentage of the military's budget. Military leaders have said the services must re-evaluate troops' benefits and consider reducing the burden they create on the defense budget. However, these kinds of reductions don't sit well on bases and in Congress. Most recently military advocates stormed Capitol Hill when Congress signed into law a reduction of the cost-of-living-adjustment for working-age retiree pay to 1 percent below COLA.

CSBA collected 2,600 surveys from troops in every rank group. What set this one apart from most other government surveys, is it gave participants a chance to indicate a preference for one benefit over another benefit, Harrison said. "A typical survey or opinion poll measures responses in terms of yes/no or multiple choice questions," said Harrison. "Such an approach is useful for determining what percentage of a population prefers one thing to another, but it does not indicate their degree of preference or how they would trade an increment of one thing for an increment of another." Respondents not only indicated a preference for a cash subsidy over the commissary, but most junior enlisted and junior officers said they would value more vacation days than either commissaries or exchanges. Harrison told Military.com on 5 FEB he would recommend the Defense Department not make any changes to current compensation -- including funding of commissaries -- until it conducts a survey like CSBA's, but utilizing a larger and random sampling of troops with the broader resources of the military. "Before they come out with proposals to cut or improve anything, they need to do their homework, and see if this is something servicemembers value or not," he said. "Before any changes, I would want to know: Have you checked to see what it will do to the way servicemembers value their [compensation] package?"

Veterans' service organizations have already come out against the Defense Department's proposed plan to slash the commissary subsidy. American Legion National Commander Daniel M. Dellinger called it "yet another undeserved blow to our men and women in service -- and their families -- in the name of 'necessary cutbacks' to reduce an ungainly national deficit." "Like the trimming of expenses to be made by reducing military retirees' pensions, this is an inexcusable way of attempting to fix a fault by penalizing the blameless." Joe Davis, national spokesman for the Veterans of Foreign Wars, said gutting the commissaries is one of the threats the VFW warned against in 2011, as the Pentagon began looking for ways to save money. "Our fear is all this, when combined with a better economy and the impact of having less troops and no reduction in [operations tempo], is going to create a mass exodus of mid-career officers and NCOs because they no longer feel they have any control over their careers, and because they believe their own Pentagon has put the budget ahead of the welfare of the troops who perform the mission," Davis said. The net result will be harm to the all-volunteer force, he said. "It's a matter of priorities, and if the continued security of our nation and preserving the all-volunteer force are worth saving, then our nation must find a way to do both," he said.

VA Post-Incarceration Benefits Update ►

Available Upon Release

Of the approximately 23 million veterans in the United States, an estimated 140,000 are in prison or jail. And many veterans-imprisoned are not unaware of their VA benefits. Did you know, for example, that in recent years, Congress has expanded many benefits for veterans; including disability compensation, pensions and health care, while easing eligibility requirements? While the changes stem largely from popular support for the troops fighting in the Middle East, the expanded benefits cover veterans of all wars and some peacetime service. Veterans' benefits are severely limited during imprisonment, but the Department of Veterans Affairs considers an individual free the moment he/she is paroled or sent to a halfway house or work release program. Immediate access to VA benefits on release can mean the difference between having a stable foundation in the community or returning back to prison. Here are some general descriptions of what may be available to veterans.

- **Health Care.** For inmates who have been in prison for a few years, a major concern is getting affordable health care. The VA has more than 1,400 hospitals, clinics and care centers across the nation. Eligibility is based on an income test, with exceptions for veterans with service-connected disabilities. An ex-prisoner just out of prison who is not working should be eligible for VA treatment. One major change is he/she will now be assigned a primary care doctor available at the clinic. Prescription drugs will be free or, depending on income, require a modest co-pay. For those needing more complete care, the VA runs more than 130 nursing homes and contracts with 2,500 private homes. Priority goes to vets with a 70-percent or higher service connected disability rating, but lower ratings are eligible for a waiting list. Many states manage their own veterans nursing homes.
- **Disability.** In earlier days, VA evaluations rejected all but the most serious injuries for disability claims but that has changed. Remember, a service-connected disability doesn't have to be a combat injury. If injured while in uniform, the VA will consider granting disability status. Even those who have been turned down for coverage by the VA before should consider

filing a new application. There is a new understanding of and focus on Post-Traumatic Stress Disorder. Not much was known about PTSD right after the Vietnam War, and most applications were denied. Today the VA better understands PTSD and is more eager to grant service-connected disability compensation as a result.

- **Housing.** For ex-prisoners looking to buy a home, the VA offers 100 percent financing and will back 80 percent of loan. (Interested persons must apply for a Certificate of Eligibility through the VA.) In today's tight mortgage market, finding a no-down-payment mortgage outside the VA can be a challenging process.
- **Pensions.** If an inmate is advanced in years when they're released from prison, they may be eligible for a non-service connected pension. This pension is designed for low-income veterans or surviving spouse who served during war periods. A means test subtracts any non-reimbursement medical expenses that were paid out of pocket by the veterans/claimant.

For additional information regarding benefits for incarcerated veterans call your County Veterans Service Officer, check your state's guidebook at http://www.va.gov/HOMELESS/Reentry_Guides.asp, and/or refer to the VA website <http://benefits.va.gov/PERSONA/veteran-incarcerated.asp>. [Source: Racine WI CVSO | Ali Nelson | 12 Feb 2014 ++]

VA Cemeteries Update ► Best in Customer Satisfaction for 5th Year

For the fifth consecutive time, the Department of Veterans Affairs' National Cemetery Administration (NCA) has bested the nation's top corporations and other federal agencies in a prestigious, independent survey of customer satisfaction. "Once again, this survey shows that employees at VA's 131 national cemeteries are committed to providing world-class customer service for our Nation's Veterans and their families," said Secretary of Veterans Affairs Eric K. Shinseki. "It is an honor to care for our Nation's heroes in perpetuity, and we use the highest of standards of compassion and professionalism to ensure we commemorate their service to our nation. "The American Customer Satisfaction Index (ACSI) is the only national, cross-industry measure of satisfaction with the

quality of goods and services available in the United States. Beginning in 1999, the federal government selected ACSI to measure citizen satisfaction. Information on ACSI can be found at <http://www.theacsi.org/the-american-customer-satisfaction-index#homelogo>

Citing the NCA's record-setting ACSI results, the independent Federal Consulting Group noted the satisfaction scores as the "highest to date for any organization in the public or private sector." The driving factors for continued customer satisfaction include cemetery service and customer service. More than 100 federal agencies have used the ACSI to gauge consumer satisfaction with more than 200 services and programs. The Index was founded at the University of Michigan's Ross School of Business and the survey is produced by ACSI, LLC. For 2013, NCA achieved a customer satisfaction index of 96, the highest ACSI score in either the private or public sector in the history of the ACSI. The score is nearly 28 points above the 68 point average for federal government agencies.

NCA participates in the ACSI every three years, previously in 2001, 2004, 2007 and 2010. This is the fifth time NCA participated and the fifth consecutive time NCA received the top rating of participating organizations. The ACSI survey polled the next-of-kin or other people who had arranged for the interment of a loved one in a VA national cemetery six months to one year prior to the survey commencement. Surveys were sent to 2,500 people, 494 responded, a high response rate for a mail survey. Using methodologies developed at the National Quality Research Center of the University of Michigan Business School, NCA received ratings in the categories of "customer service" and "user trust" of 96 out of a possible 100 points, indicating respondents are exceptionally pleased with their experience at national cemeteries and willing to recommend their services to others.

Veterans with a discharge issued under conditions other than dishonorable, their spouses and eligible dependent children can be buried in a VA national cemetery. Also eligible are military personnel who die on active duty, their spouses and eligible dependents. Other burial benefits available for all eligible Veterans, regardless of whether they are buried in a national cemetery or a private cemetery, include a burial flag, a Presidential Memorial Certificate and a government headstone or marker. Families of eligible Veterans may also order a memorial headstone or marker when remains are not available for interment. In

the midst of the largest expansion since the Civil War, VA operates 131 national cemeteries in 39 states and Puerto Rico and 33 soldiers' lots and monument sites. More than 4 million Americans, including Veterans of every war and conflict, are buried in VA's cemeteries on more than 20,000 acres of land. Information on VA burial benefits can be obtained from national cemetery offices, from the Internet at www.cem.va.gov or by calling VA regional offices toll-free at 800-827-1000. To make burial arrangements at the time of need at any VA national cemetery, call the National Cemetery Scheduling Office at 800-535-1117. [Source: VA News Release 10 Feb 2013 ++]

GI Bill Update ► GI Bill Comparison Tool

The Department of Veterans Affairs launched today an online GI Bill® Comparison Tool to make it easier for Veterans, Servicemembers and dependents to calculate their Post-9/11 GI Bill benefits and learn more about VA's approved colleges, universities and other education and training programs across the country. "We are pleased that Post-9/11 Veterans are taking advantage of this significant benefit program," said Under Secretary for Benefits Allison A. Hickey. "The new GI Bill Comparison Tool will help future beneficiaries as they make decisions about what education or training program best fits their needs." The GI Bill Comparison Tool provides key information about college affordability and brings together information from more than 17 different online sources and three federal agencies, including the number of students receiving VA education benefits at each school.

The GI Bill Comparison Tool is one item in a series of resources VA is launching in response to President Obama's Executive Order 13607, which directs agencies to implement and promote "Principles of Excellence" for education institutions that interact with Veterans, Servicemembers and their families; and to ensure beneficiaries have the information they need to make educated choices about VA education benefits and approved programs. Recently, VA also instituted a GI Bill online complaint system, designed to collect feedback from Veterans, Servicemembers and their families who are experiencing problems with educational institutions receiving funding from Federal military and Veterans educational benefits programs, including benefits programs provided by the Post-9/11 GI Bill and the DoD Military Tuition Assistance Program.

The executive order, signed April 27, 2012, directs federal agencies to provide meaningful cost and quality information on schools, prevent deceptive recruiting practices and provide high-quality academic and student support services. VA works closely with partner institutions to ensure the needs of GI Bill beneficiaries are met.

More than 5,000 education institutions have agreed to the Principles of Excellence. The Post-9/11 GI Bill is a comprehensive education benefit created by Congress in 2008. In general, Veterans and Servicemembers who have served on active duty for 90 or more days since Sept. 10, 2001 are eligible. Since 2009, VA has distributed over \$30 billion in the form of tuition and other education-related payments to more than one million Veterans, Servicemembers and their families, and to the universities, colleges and trade schools they attend. The GI Bill Comparison Tool can be found at: <http://benefits.va.gov/gibill/comparison>.

[Source: VA News Release 4 Feb 2014 ++]

Independent Budget FY 2015 Update ► \$72.9 Billion Sought

Four of the nation's leading veterans organizations this week proposed their Independent Budget (IB) plan that calls for increased spending on veterans programs in 2015 and beyond. The Independent Budget, a comprehensive budget and policy document written by veterans for veterans that details funding requirements for the Department of Veterans Affairs. The policy statement, from the Veterans of Foreign Wars, AMVETS, Disabled American Veterans and Paralyzed Veterans of America, calls for \$72.9 billion in funding for Department of Veterans Affairs health care and benefits. Its 28th Edition release on 4 FEB comes exactly a month before President Obama plans to release his 2015 budget wish list. Recommendations for FY 2015 include:

- \$61.1 billion total for healthcare --- \$2.3 billion more than what the Administration recommended (\$58.8 billion) in the FY 2015 advance appropriation last year.
- \$62.4 billion total advance appropriation for healthcare for FY 2016.
- \$2.5 billion for the Veterans Benefits Administration, which is approximately \$44 million more than FY 2014 appropriated levels.

- \$3.9 billion for all construction programs, which is approximately \$2.7 billion more than FY 2014 appropriated levels. "Sixty-year-old facilities do not get better with age," said VFW national commander William Thien, adding that "continuous underfunding only makes construction more expensive, our facilities less safe, and jeopardizes the VA's ability to honor its commitment to America's veterans."
- \$611 million for medical and prosthetics research, which is approximately \$25 million more than the FY 2014 appropriated level.

To read the joint IB press release with link to the full IB, go to [http://www.vfw.org/News-and-Events/Articles/2014-Articles/Veterans-Service-Organizations-Urge-\\$72-9-Billion-Investment-in-Veterans'-Health-Care-and-Benefits](http://www.vfw.org/News-and-Events/Articles/2014-Articles/Veterans-Service-Organizations-Urge-$72-9-Billion-Investment-in-Veterans'-Health-Care-and-Benefits). [Source: VFW Washington Weekly 7 Feb 2014 ++]

Vet Jobs Update ► 100K Jobs Pledged Over 5 Years in Construction

First Lady Michelle Obama announced 10 FEB that a coalition of construction companies and associations has pledged to hire more than 100,000 veterans over the next five years. "I know that you all have made this commitment not just because it is the patriotic thing to do, which it is. You've done this because you know that it is the smart thing to do for your businesses, because you know that America's military turns out some of the highest skilled, hardest working employees this country has ever seen. And that's particularly true when it comes to the construction sector," Obama told industry representatives at a symposium at the Labor Department. "[Our servicemembers] have built cities in the middle of deserts halfway around the world. They've built schools in remote villages. They've repaired complex machinery in combat zones in the middle of the night. In short, our troops have taken on some of the most challenging projects in some of the most inhospitable places under some of the toughest deadlines and constraints," she said. Companies making the pledges run the spectrum from large national firms like Jacobs and Bechtel to regional and local firms. Associations like the National Center for Construction Education and Research, the Home Builders Institute, The Associated General Contractors of America, and the Building Trades Association are also supporting the effort. More than 100 companies and other organizations are involved in the initiative, according to the

first lady. “Many of the skills and abilities gained during military training and service are highly transferable to the skills we require to successfully serve our clients around the world,” said Lori Sundberg, the senior vice president of human resources at Jacobs. “We are proud of the veterans working at Jacobs and appreciate their military service, their dedication, and the value they add to our company.” The construction industry is expected to boom in the coming years. The Department of Labor estimates that more than 1.5 million construction jobs will be created between now and 2022. The hiring push was spearheaded by the Labor Department and Joining Forces, a White House initiative promoted by Obama and Jill Biden to encourage organizations to hire and train veterans.

[Source: Stars and Stripes | Jon Harper | 10 Feb 2014 ++]

Don't Ask, Don't Tell Update ► Restore Honor to Service Members Act

A bill that would upgrade the service records of gay, lesbian and bisexual troops discharged due to sexual orientation and open the door to veterans' benefits has been introduced in the Senate and referred to the Armed Services Committee for review, officials said. The Restore Honor to Service Members Act was introduced Jan. 30 by Sen. Brian Schatz, D-Hawaii, and Sen. Kirsten Gillibrand, D-N.Y. The bill mirrors one introduced in the House

(<http://www.stripes.com/bill-would-upgrade-records-of-those-discharged-under-dadt-1.226901>) in June by Rep. Charles Rangel (D-NY) and Rep. Mark Pocan (D-WI). Pocan has said that the House bill has the bipartisan support of 140 members, however, it has yet to move forward.

“The repeal of 'Don't Ask, Don't Tell' was a watershed moment, ending institutionalized discrimination that unjustly targeted gay and lesbian members of the military,” Schatz said in a statement from his office. “Yet thousands of former service members still bear the scars of that discrimination, with their military records tarnished with discharges other than honorable and marks on their records that compromise their right to privacy.

“Many of these brave men and women that served our country are currently barred from benefits that they earned and are entitled to, and in the most egregious cases they are prevented from legally calling themselves a veteran. This needs to be corrected now.” Roughly 114,000 servicemembers were discharged

because of sexual orientation between World War II and the repeal of “Don’t Ask, Don’t Tell” in September 2011, officials have stated. Many of these servicemembers, depending on the discharge classification and the state in which they lived, were treated as felons and precluded from voting and collecting unemployment and veterans’ benefits, such as health care and disability. Many were also discriminated against when applying for jobs and housing.

A lot has changed since the repeal of the 1993 law that banned gays and lesbians from serving openly in the military. Gay and lesbian servicemembers have been able to serve openly, marching in gay pride parades and having same-sex wedding ceremonies in on-base chapels. They have also seen benefits extended to their partners. Organizations that represent LGBT servicemembers and veterans have applauded efforts to bring the bill to President Barack Obama’s desk. “LGBT veterans who served and sacrificed in silence during World War II, Korea, and Vietnam, as well as those who served before and during ‘Don’t Ask Don’t Tell’ in the Gulf War, Iraq, and Afghanistan, deserve to see their service recognized and honored at long last,” Denny Meyer, spokesman for American Veterans for Equal Rights, the national LGBT veterans service organization, said in the statement. Should it pass, the bill would instill the repeal into law. All servicemembers who were discharged because of their sexual orientation would then receive a “timely, consistent and transparent” review, and those who served honorably would see their records upgraded. This would open the door to benefits.

Any indication of sexual orientation would be struck from service records, and consensual relations between same-sex couples would be decriminalized — bringing military law in line with Supreme Court rulings. “We need to right discriminatory discharges for our veterans immediately,” Gillibrand said in the statement. “A clean, honorable record is long overdue for veterans who were discharged solely because of who they love. Our veterans served our country courageously and with dignity and we must act to give them the appropriate recognition they deserve.” It is now up to Senate Armed Services Committee chairman Sen. Carl Levin, D-Mich., and others on the committee, including Gillibrand, to call for a hearing said Pocan spokesman David Kolovson. Currently, none is scheduled, he said. In order to reach the president’s desk, the bill needs to pass both the House and the Senate. [Source: Stars & Stripes | Matthew M. Burke | 12 Feb 2014 ++]

Cola 2016 Update ► Senate Votes 95 to 3 to Unwind Cuts

The Senate overwhelmingly approved a House-passed bill 95 to 3 12 FEB that would unwind \$6 billion in cuts to veterans benefits from last year's budget deal that proved to be a political fiasco for all involved. The conclusion of the battle to unwind the cuts in Congress culminates several days of flip-flops from Democrats and Republicans. Lawmakers ultimately concluded it was shrewder to put to rest a rising political vulnerability with veterans than continue petty-looking squabbles over offsets that are lost on the public at large. The takeaway message from the massive backlash over a relatively small-dollar provision included in last year's budget agreement engineered by Wisconsin Republican Rep. Paul Ryan is **don't mess with vets**, especially in an election year. The legislation that now heads to President Obama's desk for his signature, would pay for restoring a 1 percent cost-of-living adjustment to military retirees' pensions by extending the mandatory sequester cuts an additional year.

Senate Democrats had spent much of Tuesday insisting that it was imperative to pass a "clean" bill without an offset ASAP, arguing that veterans had already "paid in full" their debt to society, even though none of the offsets being discussed would have touched other veterans benefits or even come out of the Department of Defense. They were pushing a bill that was pending in the Senate from embattled Arkansas Democrat Mark Pryor that would have unwound the cuts without paying for them. But between the House's undeniably overwhelming vote on its bill Tuesday of 326 to 90 including 120 Democrats, and the inability of Democrats and Republicans to agree on amendments to the Pryor bill, Democratic leadership abruptly changed course Tuesday scheduling a vote on the House bill. A few hours ahead of the vote, Democrats appeared to be caught off guard. Senate Armed Services Committee Chairman Carl Levin, D-Mich., said he didn't know if he would support the House payfor and needed to review the details including how he had voted on it previously. "I don't know," he said. "There's a little uncertainty in my mind as to which particular extension this is." Levin said that Democrats generally still preferred a bill without a payfor, and that his personal preference was one that would close off-shore tax havens. "I think most Democrats want a clean bill. If our choice is a good payfor... I would clearly

vote for that.... If it's a pure COLA restoration, I'm all in favor for that, but in terms of the other options I just have to withhold judgment until I know more about it."

The House payfor had received mixed reviews from Senate Republicans Tuesday with many continuing to push for a payfor from New Hampshire Republican Sen. Kelly Ayotte that would close the child tax credit to undocumented immigrants. "I think sequestration was a terrible mistake to start with," said Arizona Republican Sen. John McCain Wednesday. As Democrats had tested the waters with Republicans over the payfor fight, it had appeared last week that the GOP would balk at even debating a bill that didn't have a payfor. But Republicans reversed course on Monday joining with Democrats unanimously to take up the Pryor bill, which was left in the dust by Wednesday. In the end, with a snowstorm threat pushing up a looming recess imminently, lawmakers gave up their payfor fights and just wanted to check the box, claim victory and go home. "My inclination is I just want to solve this problem," said Maine Independent Angus King Wednesday, who had joined in a Democratic press conference decrying attempts to payfor the legislation the previous day. "And the House has now recessed, so if we do something different, it gets delayed." He said. "Let's do it."

Congressional/Stakeholder Notification

Department of Veterans Affairs (VA)

February 2014

Summary:

The Department of Veterans Affairs (VA) is implementing a newly redesigned, more secure Veteran Health Identification Card (VHIC) to replace the Veteran Identification Card (VIC), which was issued in 2004. In 2010, VA initiated a redesign effort to remove the SSN from the barcode and magnetic stripe on the VIC to improve the protection of Veteran's private information in conformance with the Social Security number reduction and security mandates throughout the Federal Government. VA is preparing to implement a new Veteran Health Identification Card (VHIC).

The new cards are distinguished by additional security features, which better protect the Veteran's personal information and have a different look and feel. In addition to being more secure, the card offers enhanced features -- transforming it into a Health Identification Card. Similar to a typical health insurance card, the

VHIC displays the Veteran's Member ID, a new unique identifier, as well as a Plan ID, reflecting the Veteran's enrollment in VA health care.

As part of a phased rollout, in February 2014, the card will be offered to newly enrolled and other Veterans who have not been issued a VIC. Then, in early April, VA will begin a three month effort to automatically issue the more secure VHIC to each VIC cardholder. VA recommends Veterans safeguard their VIC as they would a credit card, and cut up or shred the card once it is replaced. While a VHIC is not required to receive VA health care, VA wants all enrolled Veterans to have a card that protects their personal information.

Card Features:

- **Secure** – Redesigned card contains new identifiers – a Member ID and Card Number eliminate the need for the Veteran's SSN to be on the card
- **Personalized** -- Displays emblem of Veteran's branch of service, and identifies if the Veteran was disabled from a service-connected condition, is a former POW or recipient of a Purple Heart or Medal of Honor
- **Accessible** – Braille "VA" helps visually impaired Veterans to recognize and use the card
- **Interoperable** - Can be used to look up Veteran's health records at VA and Department of Defense health care facilities when arrangements are in place.
- **Anti-Counterfeiting** – Microtext helps prevent card reproductions
- **Compliant** -- Meets national standard for health identification cards
- **Informative** – Displays VA phone numbers and emergency care instructions

Facts:

- Enrolled Veterans use the VHIC within VA health care facilities as proof of identity and to facilitate check-in to appointments.
- The Plan ID displayed on the VHIC is a unique number issued to VA by the Department of Health and Human Services (HHS) and identifies the health plan offered to enrolled Veterans. Starting in 2016, this number will be used by doctors and hospitals to assist them when they send in health related claims for payment to VA.
- Veterans can continue to use their VIC until their VHIC is received. VA health care applications have been enhanced to read both the new VHIC as

well as the old card. VA communications to Veterans will advise them that upon receipt of the VHIC, to destroy their VIC either by cutting up the card or by shredding it.

- To receive the VHIC, the Veteran must show appropriate identification document(s) and be enrolled in the VA health care system.
- Starting February 21, 2014, VA will process VHIC requests for new enrollees and other enrolled Veterans who do not have a VIC.
- Production of the replacement VHICs will begin in early April 2014 and will be automatically mailed to Veterans who have been issued a VIC. All cards are expected to be replaced within three months.
- Enrolled Veterans can get more information by calling 1-877-222-VETS (8387), by visiting their VA medical facility Enrollment Coordinator or online at www.va.gov/healthbenefits/vhic.

The following documents are acceptable proof of identity. Documents presented as proof must be current (not expired) and original. Photocopies are not acceptable.

Primary Identification

Present ONE form of Primary Identification

State-Issued Driver's License
State issued ID
United States (U.S.) Passport

VA Identification Card (VIC) or VHIC
Military ID Card
Temporary Resident Card
Resident Alien Card
Permanent Resident Card

Other Federal or State issued photo ID

Certificate issued by US Consular Offices documenting the birth of a child on

Secondary Identification

If a Primary form of Identification is not available, present TWO forms of Secondary Identification

Certified Birth Certificate
Original Social Security Card
DD214 or equivalent certificate issued by Department of Defense or War Department
Marriage License (certified copy)
State Voter Registration Card
Student ID Card
Native American Tribal Document
Certificate of U.S. Citizenship (INS Form N-560 or N-561)
Certificate of Naturalization (INS Form N-550 or N-570)

foreign soil to a US citizen. (Form FS-545, Form DS-1350)